GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1097
ANSWERED ON:09.12.2003
REDUCTION OF FERTILIZER PRICES
BHASKAR RAO PATIL;NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that the Union Government has received representations to reduce prices of fertilizers in the country;

(b) if so, the details thereof and reaction of the Government thereon;

(c) whether changes in the fertilizer pricing and concession norms have been made recently;

(d) if so, the details thereof; and

(e) the existing subsidy given to farmers on various fertilizers at present?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a) & (b): Present maximum retail price (MRP) of urea and indicative MRPs of other fertilizers were fixed on 28.2.2002.

(c) & (d): New Pricing Scheme (NPS) for urea units has been introduced witheffect from 1.4.2003 in place of the erstwhile Retention Price Scheme. NPS willbe implemented in stages. Stage-I would be of one year duration, from 1.4.2003 to 31.3.2004 and Stage-II would be of two years duration, from 1.4.2004 to 31.3.2006. The modalities of subsequent stages would be decided after a review of implementation of Stage-I and Stage-II. NPS aims at bringing in greater transparency, uniformity and efficiency in subsidy payments to urea units and inducing them to take cost reduction measures on their own to be competitive.

(e) Subsidy/concession on fertilizers is given to farmers in the shape of making them available fertilizers at subsidized selling prices. The amount of subsidy/concession disbursed on urea and decontrolled phosphatic and potassic fertilizers during 2002-03 was Rs. 11014.52 crore.